

Summary of Consolidated Financial Statements for First Quarter of Fiscal Year Ending March 31, 2010

August 7, 2009
Listed Exchanges: TSE, OSE

Name of Listed Company: Ishihara Sangyo Kaisha, Ltd.
Code: 4028 URL <http://www.iskweb.co.jp>
Representative: (Title) President (Name) Kenzo Oda
Contact: (Title) Director (Name) Yoshinari Terakawa Tel +81-6-6444-1850
Scheduled date of securities report submission: August 13, 2009
Scheduled date of dividend payment commencement: —

(Any amount less than one million yen is rounded down to the nearest million yen or nil.)

1. Consolidated Financial Results for First Quarter of Fiscal Year Ended March 31, 2010 (April 1, 2009 to June 30, 2009)

(1) Consolidated Operating Results

(Percentages represent changes from same period in previous year.)

	Net sales		Operating income		Ordinary income		Net income	
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%
Q1 2009	24,205	-26.1	72	-97.5	-803	-	-915	—
Q1 2008	32,735	-	2,869	-	2,806	-	1,120	—

	Net income per share	Net income per share after full dilution
	Yen	Yen
Q1 2009	-2.28	—
Q1 2008	2.91	—

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	millions of yen	millions of yen	%	Yen
Q1 2009	167,761	45,009	26.8	112.35
Q1 2008	163,805	45,372	27.7	113.25

(Reference) Equity capital - as of June 30, 2009: 44,976 million yen, - as of March 31, 2009: 45,339 million yen

2. Dividends

(Record date)	Dividends per share				
	June 30 (Q1-end)	September 30 (Q2-end)	December 31 (Q3-end)	March 31 (Year-end)	Annual
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2009	—	0.00	—	0.00	0.00
Year ended March 31, 2010	—				
Year ending March 31, 2010 (Forecast)		0.00	—	0.00	0.00

(Note) Modification in the dividend forecast for current quarter: No modification

3. Forecast for Consolidated Results for the Full Year Ending March 31, 2010 (April 1, 2009 - March 31, 2010)

(Percentages represent forecasted changes from the previous year for the full year results, and forecasted changes from the same period in the previous year for the interim results.)

	Net sales		Operating income		Ordinary income		Net income		Earnings per share
	millions of yen	%	millions of yen	%	millions of yen	%	millions of yen	%	Yen
Interim (First 2Qs)	48,000	-20.8	-2,000	-	-3,600	—	-2,600	—	-6.49
Full year	112,000	7.0	6,800	26.3	3,800	29.5	1,400	—	3.50

(Note) Modification in forecasts of consolidated operating results for current quarter: Modified

4. Other information

- (1) Significant changes in subsidiaries during the period
(changes in specified subsidiaries resulting in the change in consolidation scope): No change
New inclusion to consolidation ___ companies (specifically, _____)
Exclusion from consolidation ___ companies (specifically, _____)
- (2) Adoption of simplified accounting treatment and special accounting treatment for quarterly consolidated financial statements: Not adopted
- (3) Changes in accounting principles, procedures, and the method of presentation associated with the preparation of consolidated financial statements (matters to be included in the section, Changes in Basic Important Matters for Preparation of Consolidated Financial Statements)
 - 1) Changes due to revisions of accounting standards etc. : Adopted
 - 2) Changes other than those defined in 1) above : Not adopted
- (4) Issued shares (common shares)
 - 1) Issued shares as of period-end (including repurchased treasury shares)

As of June 30, 2009: 403,839,431 shares	As of March 31, 2009: 403,839,431 shares
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 - 2) Number of shares of treasury stock as of period-end

As of June 30, 2009: 3,546,213 shares	As of March 31, 2009: 3,515,620 shares
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 - 3) Average number of outstanding shares during period

Q1 2009: 400,306,998 shares	Q1 2008: 384,478,412 shares
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Notes on proper use of forecast and other matters

The forecast of financial results presented in this document is the result of management's assessment based upon currently available assumptions, prospects and plans for the future. Actual results and dividend payments may differ from these forecasts, due to risks and uncertain factors, such as the global economy, competition, and foreign currency fluctuations.

5. Consolidated Financial Statements
(1) Consolidated Balance Sheet

(Unit: millions of yen)

Account Category	Notes	As of June,2009	As of March,2009 (summary)
ASSETS			
Current Assets			
Cash and deposits		11,730	12,681
Notes and accounts receivable – trade		29,554	23,332
Inventories		—	—
Merchandise and finished goods		19,461	22,714
Work in process		11,721	7,699
Raw materials and supplies		12,205	11,173
Deferred tax assets		3,201	3,302
Other		3,182	5,827
Allowance for doubtful accounts		-288	-289
Total current assets		90,768	86,441
Noncurrent Assets			
Property, plant and equipment			
Machinery, equipment net		22,723	21,596
Other, net		32,278	34,132
Total property, plant and equipment		55,001	55,729
Intangible assets			
Goodwill		64	70
Other		255	193
Total intangible assets		319	264
Investments and other assets			
Investments securities		5,392	5,473
Deferred tax assets		15,716	15,323
Other		654	662
Allowance for doubtful accounts		-72	-69
Allowance for investments and other assets		-19	-19
Total investments and other assets		21,671	21,370
Total noncurrent assets		76,993	77,363
Total Assets		167,761	163,805

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Account Category	Notes	As of June,2009	As of March,2009 (summary)
LIABILITIES			
Current Liabilities			
Notes and accounts payable – trade		16,926	14,481
Short-term loans payable		38,652	38,316
Income taxes payable		250	516
Reserve for loss from Ferosilt removal		4,343	4,926
Reserve for other		1,147	742
Other		14,136	13,313
Total current liabilities		75,456	72,297
Noncurrent Liabilities			
Long-term loans payable		18,846	16,971
Provision for retirement benefits		7,248	7,185
Reserve for loss from Ferosilt removal		11,696	12,316
Reserve for other		400	489
Long-term deposits received		6,638	6,793
Other		2,465	2,378
Total noncurrent liabilities		47,295	46,135
Total Liabilities		122,751	118,433
NET ASSETS			
Shareholder's equity			
Capital stock		43,420	43,420
Capital surplus		10,625	10,625
Retained earnings		-5,913	-4,998
Treasury stock		-659	-656
Total shareholder's equity		47,472	48,391
Valuation and translation adjustments			
Valuation difference on available-for-sale securities		39	-42
Deferred gains or losses on hedges		3	-1
Foreign currency translation adjustment		-2,570	-3,038
Pension liabilities adjustment for overseas subsidiaries		30	29
Total valuation and translation adjustments		-2,496	-3,051
Minority interests		33	32
Total net assets		45,009	45,372
Total Liabilities and Net Assets		167,761	163,805

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(2) Consolidated Statements of Income

(Unit: millions of yen)

Account Category	Notes	Q1 2008 (April 1, 2008 to June 30, 2008)	Q1 2009 (April 1, 2009 to June 30, 2009)
Net sales		32,735	24,205
Cost of sales		24,403	19,312
Gross profit		8,332	4,893
Selling, general and administrative expenses		5,463	4,820
Operating income		2,869	72
Non-operating income			
Interest income		45	5
Dividends income		14	8
Rental income		—	24
Foreign exchange gains		843	—
Other		69	47
Total non-operating income		972	86
Non-operating expenses			
Interest expenses		433	376
Equity in losses of affiliates		282	214
Foreign exchange losses		—	133
Other		320	237
Total non-operating expenses		1,035	962
Ordinary income		2,806	-803
Extraordinary income			
Gain from prior period adjustment		—	3
Gain on disposal of non-current assets		—	3
Gain from withdrawal from reserve for litigation liabilities		427	—
Gain from reversal of provision for repairs		186	—
Other		86	—
Total extraordinary income		700	6
Extraordinary loss			
Loss on disposal of non-current assets		99	180
Other		0	25
Total extraordinary loss		99	206
Income before income taxes		3,406	-1,003
Income taxes		252	227
Income taxes – deferred		2,035	-315
Total income taxes		2,287	-87
Minority interests in income		-1	0
Net income or net loss (-)		1,120	-915

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(3) Statement of Consolidated Cash Flows

(Unit: millions of yen)

Account Category	Notes	Q1 2008 (April 1, 2008 to June 30, 2008)	Q1 2009 (April 1, 2009 to June 30, 2009)
Net cash used in operating activities			
Income before income taxes		3,406	-1,003
Depreciation and amortization		1,314	1,365
Impairment loss		—	23
Increase (decrease) in allowance for doubtful accounts		-16	-2
Increase (decrease) in provisions for retirement benefits and directors' retirement benefits		47	-4
Increase (decrease) in reserve for loss from Ferosilt removal		-3,126	-1,203
Increase (decrease) in other provisions		284	404
Interest and dividends income		-59	-13
Interest expenses		433	376
Foreign exchange losses (gains)		-29	12
Equity in (earnings) losses of affiliates		285	214
Loss (gain) on disposal of noncurrent assets		33	30
Decrease (increase) in notes and accounts receivable-trade		-5,873	-5,612
Decrease (increase) in inventories		442	-1,614
Decrease (increase) in other current assets		-85	438
Increase (decrease) in notes and accounts payable-trade		1,320	2,232
Increase (decrease) in other current liabilities		332	2,640
Other		-0	-1
Total		-1,289	-1,716
Interest and dividends income received		61	14
Interest expenses paid		-283	-282
Income taxes paid		-582	-382
Net cash used in operating activities		-2,093	-2,367
Net cash used in investment activities			
Payments into time deposits		-20	-20
Proceeds from withdrawal of time deposits		20	20
Purchase of short-term and long term investment securities		-583	-2
Purchase of property, plant and equipment		-1,588	-809
Proceeds from sales of property, plant and equipment		1	26
Payments of loans receivable		-174	-14
Collection of loans receivable		194	32
Net cash used in investment activities		-2,150	-766

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Account Category	Notes	Q1 2008 (April 1, 2008 to June 30, 2008)	Q1 2009 (April 1, 2009 to June 30, 2009)
Net cash provided by financing activities			
Net increase (decrease) in short-term loans payable		172	-483
Proceeds from long term loans payable		1,830	3,139
Repayment of long-term loans payable		-513	-504
Repayments of lease obligations		-100	-139
Proceeds from assignment of private power generation facilities		6,669	—
Repayment of deposits received		—	-135
Net decrease (increase) in treasury stock		-5	-2
Net cash provided by financing activities		8,051	1,873
Effect of exchange rate change on cash and cash equivalents		-332	66
Net increase (increase) in cash and cash equivalents		3,476	-1,193
Cash and cash equivalents at period-beginning		28,373	12,648
Increase in cash and cash equivalents resulting from merger		149	—
Balance of cash and cash equivalents at period end		31,998	11,454

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6. Segment Information

(1) Business Segment Information

First Quarter of Fiscal 2008 (April 1, 2008 to June 30, 2008)

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
Sale							
(1) Sales to external customers	13,935	15,823	2,695	280	32,735	–	32,735
(2) Intersegment sales and transfers	–	–	944	405	1,349	(1,349)	–
Total	13,935	15,823	3,639	686	34,085	(1,349)	32,735
Operating income (loss)	-360	3,967	64	5	3,677	(807)	2,869

First Quarter of Fiscal 2009 (April 1, 2009 to June 30, 2009)

(Unit: millions of yen)

	Inorganic Chemicals	Organic Chemicals	Construction	Other Businesses	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	10,565	12,840	546	253	24,205	–	24,205
(2) Intersegment sales and transfers	–	–	382	177	560	(560)	–
Total	10,565	12,840	929	430	24,766	(560)	24,205
Operating income (loss)	-953	1,632	-17	43	705	(632)	72

(Note) 1. Business segments are defined considering similarity of product types, production methods and markets. Major products and businesses dealt with by each business segment are as follows:

- (1) Inorganic Chemicals Titanium dioxide and functional materials, electronic materials, and other inorganic chemicals
- (2) Organic Chemicals Agrochemicals (weed killers, insecticides, disinfectants, etc.), organic intermediates and active pharmaceutical ingredients
- (3) Construction Construction
- (4) Other Businesses Trading companies, etc.

(2) Geographical Segment Information

First Quarter of Fiscal 2008 (April 1, 2008 to June 30, 2008)

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	18,605	2,486	682	10,961	32,735	–	32,735
(2) Intersegment sales and transfers	10,147	1,196	3	21	11,368	(11,368)	–
Total	28,753	3,682	685	10,982	44,104	(11,368)	32,735
Operating income (loss)	3,605	-288	-57	478	3,738	(869)	2,869

First Quarter of Fiscal 2009 (April 1, 2009 to June 30, 2009)

(Unit: millions of yen)

	Japan	Asia	Americas	Europe	Total	Elimination/Corporate	Consolidated
Sales							
(1) Sales to external customers	13,246	1,526	453	8,977	24,205	–	24,205
(2) Intersegment sales and transfers	6,564	1,103	0	36	7,704	(7,704)	–
Total	19,811	2,630	454	9,013	31,910	(7,704)	24,205
Operating income(loss)	390	100	-50	750	1,191	(1,118)	72

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(Note) 1. Grouping of countries and regions is based on the geographical proximity and relevance of businesses. Countries and regions included in each geographical segment are as follows, excluding Japan:

- (1) Asia : Singapore and Taiwan
- (2) Americas: United States of America
- (3) Europe : Belgium, France and Spain

(3) Overseas Sales

First Quarter of Fiscal 2008 (April 1, 2008 to June 30, 2008)

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	6,158	3,329	11,444	142	21,074
II Consolidated sales (in millions of yen)					32,735
III Ratio of overseas sales to total consolidated sales (%)	18.8	10.2	35.0	0.4	64.4

First Quarter of Fiscal 2009 (April 1, 2009 to June 30, 2009)

	Asia	Americas	Europe	Other	Total
I Overseas sales (in millions of yen)	4,397	1,867	9,373	25	15,664
II Consolidated sales (in millions of yen)					24,205
III Ratio of overseas sales to total consolidated sales (%)	18.2	7.7	38.7	0.1	64.7

(Note) 1. Grouping of countries and regions is based on the geographical proximity and relevance of businesses. Countries and regions included in each geographical segment are as follows, excluding Japan:

- (1) Asia : China, Taiwan, South Korea, Thailand, Indonesia, and Singapore
- (2) Americas: United States of America, Canada, Brazil, Argentina, and Mexico
- (3) Europe : Germany, Netherlands, France, the United Kingdom, Belgium, Italy, and East Europe and Middle East regions
- (4) Other : Australia, New Zealand and Africa

- 2. Overseas sales represent sales made by the Company and its consolidated subsidiaries in other countries and regions excluding Japan